

**GRANT YEAR 2013**

**Virginia  
Enterprise  
Zones**

**How-to-Qualify Workshop**



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

*Partners for Better Communities*

[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

# Workshop Agenda

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- Program Overview
- Real Property Investment Grant Qualification Process
- Job Creation Grant Qualification Process
- CPA Attestation Requirements
- Grant Year 2013 Application Submittal

# EZ Program Overview

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- Virginia Enterprise Zones is a partnership between state and local government to encourage job creation and private investment in targeted areas of the state.
- The program accomplishes this by designating zones throughout the state and providing two grant-based incentives, the **Job Creation Grant (JCG)** and the **Real Property Investment Grant (RPIG)**.
- The two state incentives are available to businesses and zone investors who create jobs and/or invest in real property within the boundaries of Enterprise Zones.

# Qualification for State Incentives

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- Qualification for the RPIG and the JCG is based on the calendar year and administered annually.
- The cash grants are performance-based, therefore the **jobs must be created and the real property improvements must completed before the grant applications are submitted.**
- Grant applications are always due **April 1<sup>st</sup>** of every year for real property improvements and jobs created during the previous calendar year.

# Qualifying for the RPIG: Real Property Investment Grant

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The RPIG is available to investors that are undertaking **rehabilitation**, **expansion**, or **new construction** projects within the boundaries of Enterprise Zones.



# RPIG: Eligible Properties

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- The property (building or facility) must be located within the boundaries of a Virginia Enterprise Zone.
- The building or facility must be:
  - **Commercial (includes office space)**
  - **Industrial**
  - **Mixed-use:** At least 30% of useable floor space is devoted to office, commercial, industrial use.
- Facility: A group of buildings, co-located at a single physical location, involved in related operations, under common ownership and management.

# RPIG: Eligible Applicants

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- A “Qualified Zone Investor” is any entity or individual capitalizing on the costs associated with the real property investment:
  - **Property Owner (occupant or non-occupant)**
  - **One of multiple owners:**  
Must coordinate grant request with all other owners of the property
  - **Tenant:**  
Tenants making leasehold improvements as part of a **capital lease** may apply for the RPIG with the owner’s permission. Improvements made under an **operating lease** are not eligible for the RPIG.
  - **Developer**

# RPIG: Eligibility Criteria

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## Minimum investment thresholds:

- To qualify for the RPIG, a zone investor must meet a certain minimum investment threshold depending on the type of construction activity:
  - Rehab & Expansion: **\$100,000** in qualified real property investments
  - New Construction: **\$500,000** in qualified real property investments



# RPIG: Qualified Investments

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- Hard construction costs
- Structurally part of the building/facility

## Examples of Qualified Real Property Investments (QRPI):

- |                 |            |
|-----------------|------------|
| ■ Carpentry     | ■ HVAC     |
| ■ Ceilings      | ■ Painting |
| ■ Demolition    | ■ Plumbing |
| ■ Doors/windows | ■ Masonry  |
| ■ Drywall       | ■ Roofing  |



# RPIG: Unqualified Investments

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## Examples of Ineligible Cost:

- ✗ Architectural fees
- ✗ Closing Costs
- ✗ Furnishings (window treatments and appliances)
- ✗ Capitalized interest
- ✗ Insurance
- ✗ Permits, inspection fees
- ✗ Signage and signs
- ✗ Utilities
- ✗ Utility hook-up or access fees

# RPIG: Calculating the Grant Award

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- The dollar amount of a grant is based on the amount spent on the Qualified Real Property Investments (QRPI).
- Grant awards = 20% of the QRPI made in excess of the respective eligibility threshold (\$100 K or \$500 K), capped\* based on the following limits:
  - Up to \$100,000 per building/facility for QRPI less than \$5 million
  - \$200,000 per building/facility for QRPI of \$5 million or more

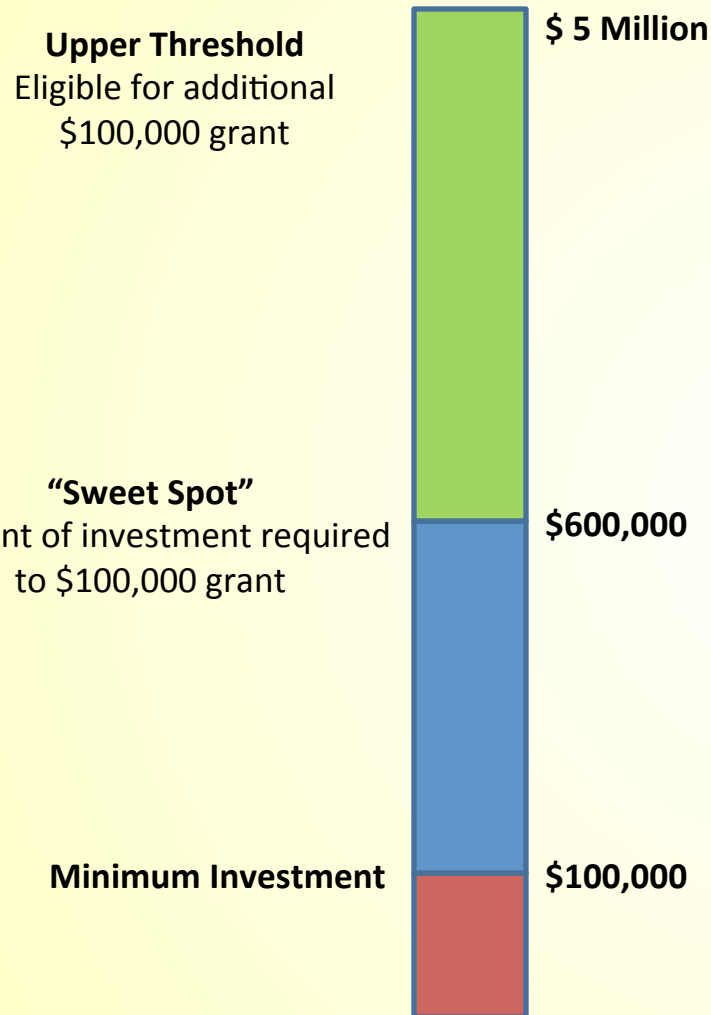
*\* Grant awards are capped per building/facility over a 5-consecutive-year term.*

# RPIG: Grant Calculation Examples

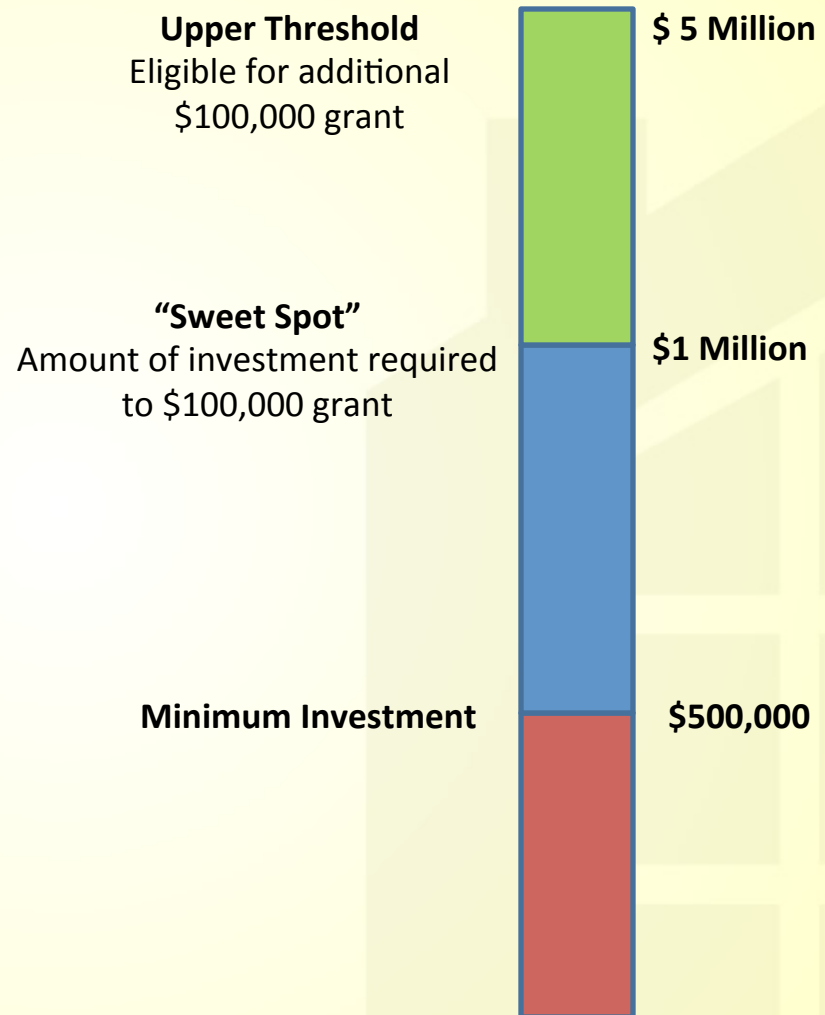
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Example	<u>Rehab</u>	<u>New Construction</u>
Investment	\$600,000	\$700,000
Threshold	- <u>\$100,000</u>	- <u>\$500,000</u>
Grant Eligible	\$500,000	\$200,000
	x <u>.20</u>	x <u>.20</u>
<b>Grant</b>	<b>\$100,000</b>	<b>\$40,000</b>

# RPIG: Investment Continuum



**Rehabilitation & Expansion**



**New Construction**

# RPIG Application Process

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- The year the property is placed in service determines when the zone investor can apply for the RPIG.
  - Final Certificate of Occupancy
  - Final building inspection
  - Final third party inspection (only acceptable when the project does not require any permits)
- To be eligible for GY 2013, a property must be placed in service during calendar year 2013, (Jan 1, 2013 – Dec. 31, 2013).
- A copy of the placed in service documentation is required to be submitted with all RPIG applications.

# RPIG: Required Submission Materials

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1. **Online:** Must be submitted by 11:59 PM (EST), April 1, 2014
  - Form EZ-RPIG
2. **Hard Copy:** Must be post-marked no later than April 1, 2014
  - Form EZ-RPIG
  - Supplemental Forms (when applicable)
  - Placed in Service Documentation
  - W-9
  - CPA Attestation Report: A Certified Public Accountant, independent of the applicant and licensed by state of Virginia, must perform agreed-upon procedures outlined by DHCD.

All application materials and the link to submit Form EZ-RPIG are available on the  
**EZ Online Application Submission Site**  
Visit [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) for the link.

# Form EZ-RPIG

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Organized into seven parts:

- Part I: Background Information
- Part II: Placed-in-Service Documentation
- Part III: Qualified Investments
- Part IV: Qualification Information
- Part V: Contact Information
- Part VI: Application Information
- Part VII: Declaration



# Part I: Background Information

## PART I: BACKGROUND INFORMATION

1. Qualified Zone Investor's Legal Name [REDACTED]			2. Type of Zone Investor (check one) <input type="checkbox"/> Owns building - occupant <input type="checkbox"/> Owns building - non-occupant <input type="checkbox"/> Owns space in building (i.e. office condo) <i>Supplemental Multiple Owner Form required</i> <input type="checkbox"/> Tenant in building - <i>Supplemental Tenant Form(s) required</i> <input type="checkbox"/> Developer (not owner) - <i>See Instruction Manual</i>		
3. Federal Employment ID# (FEIN)/Social Security Number (SSN) <div style="display: flex; justify-content: space-between;"> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> </div>					
4. Physical Address of Zone Establishment (Street number and name) [REDACTED]			City/County/Town [REDACTED]		
5. Real Property Use Classification (check one) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Mixed Use - <i>Supplemental Mixed Use Form required</i>			6. Type of Real Property (check one) <input type="checkbox"/> Building <input type="checkbox"/> Facility		
7. Type of real property investment that was made: <input type="checkbox"/> Rehabilitation of an existing building/facility <input type="checkbox"/> Expansion of an existing building/facility <input type="checkbox"/> New Construction			8. Property Identification Number(s) (Refer to page 16 of Instruction Manual) [REDACTED]		
9. Zone Name [REDACTED]	10. Zone # [REDACTED]	11. Zone Designation Date [REDACTED]	12. Name of Local Zone Administrator [REDACTED]		
13. Signature of Local Zone Administrator verifying that the physical address, type of real property, and property identification number listed on EZ-RPIG Part I items 4, 5, and 8 is correct and the property is in the Enterprise Zone identified in item 9 above. <div style="text-align: right;">Date [REDACTED]</div>					

# Part II: Placed In Service Documentation

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## PART II: PLACED-IN-SERVICE DOCUMENTATION

A. ☐ CERTIFICATE OF OCCUPANCY    ☐ FINAL INSPECTION    ☐ THIRD PARTY INSPECTOR'S REPORT

B. Please explain any differences in the name listed on the final Placed-in-Service documentation from the name listed in PART 1: Background Information in regards to the Qualified Zone Investor. You may attach a letter to this form if additional space is required.

# Part III: List of Qualified Investments

## PART III: ITEMIZED LIST OF QUALIFIED REAL PROPERTY INVESTMENTS

List the category of work and the total costs involved for each qualified real property investment. For a list of items regarded as qualified real property investments, see pages 11-12 of the 2013 Real Property Investment Grant Instruction Manual.

Zone Investor made the following qualified real property investments to the building/facility located at physical address, Virginia.

Qualified Real Property Investment		Dollar Amount
1.		\$
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.	Total Qualified Real Property Investment	\$ (amount to enter in line 3A)

# Part IV: Qualification Information

## PART IV: QUALIFICATION INFORMATION

1. Date Real Property Placed in Service (MM/DD/YYYY)	1. <input type="text"/> / <input type="text"/> / <input type="text"/>
<ul style="list-style-type: none"> <li>To verify this date <u>attach a copy</u> of the final Certificate of Occupancy, final building inspection (approved by local jurisdiction), or a licensed third party inspector's report in cases where project did not require a permit.           <ul style="list-style-type: none"> <li>When submitting a licensed third party inspector's report, <u>attach a letter</u> from the local Building Official verifying that project did not require any permits.</li> </ul> </li> </ul>	
2. Qualification is requested for calendar year:	2. 2013
3. Grant Calculation:	
A. Actual dollar amount of qualified real property investments made by applicant:	3A. \$ <input type="text"/>
B. Applicable investment threshold based on the type of real property investment:	3B. \$ <input type="text"/>
C. Grant eligible dollar amount (Line 3A minus Line 3B):	3C. \$ <input type="text"/>
D. Multiply line (C) by 20%. This is the amount of grant the zone investor is requesting. <ul style="list-style-type: none"> <li>For investments (line A) less than \$5 million, this amount cannot exceed \$100,000.</li> <li>For investments (line A) of \$5 million or more, this amount cannot exceed \$200,000.</li> </ul> <i>Tenants or zone investors who own a space within a building cannot request the maximum grant amount if they did not coordinate qualification or receive owner consent.</i>	3D. \$ <input type="text"/>
4. Real Property Investment Grants previously issued to building or facility. <i>See RPIG Award Schedule to complete this section.</i>	
A. Have real property investment grants been awarded to the building or facility in the last four years? <i>(If yes, complete section B)</i>	4A. <input type="checkbox"/> YES <input type="checkbox"/> NO
B. If yes, indicate the total amount received in previous years.	4B. \$ <input type="text"/>

# Parts V & VI: Contact and Application Information

## PART V: CONTACT INFORMATION

1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.) [REDACTED]	First Name [REDACTED]	Last Name [REDACTED]	Title [REDACTED]	Daytime Phone ( [REDACTED] ) [REDACTED] - [REDACTED]	E-mail Address [REDACTED]
Principal Mailing Address (Grant correspondence will be mailed to this address) [REDACTED]			City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant [REDACTED]		VA License # [REDACTED]	Daytime Phone # ( [REDACTED] ) [REDACTED] - [REDACTED]	Email Address [REDACTED]	
3. Accounting Firm [REDACTED]	Street Address [REDACTED]		City [REDACTED]	State [REDACTED]	Zip Code [REDACTED]

## Part VI: APPLICATION INFORMATION

Check the boxes below that apply to your application submission.	
1.	<input type="checkbox"/> This application has been submitted electronically
2.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Mixed-Use Form
3.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Multiple-Owner Form
4.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Tenant Coordination Form
5.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Tenant-Owner Consent Form
6.	<input type="checkbox"/> Submission includes CPA Attestation Report Form
7.	<input type="checkbox"/> Submission includes Final Placed-in-Service documentation

# Part VII: Declaration

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## **PART VII: DECLARATION**

APPLICANT: I, the undersigned, on behalf of the zone investor, declare that I have made the management decisions necessary to complete this form and this form has been examined by me and is an accurate statement. I have disclosed all of the required documentation so that the CPA could perform the Agreed Upon Procedures established by DHCD. I am authorized to sign on behalf of the zone investor.

Signature	Typed or Printed Name	Title	Date (MM/DD/YYYY)

# RPIG: Supplemental Forms

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Supplemental forms are required if...

- **The zone investor is a tenant:**
  - Form EZ-RPIG Tenant-Owner Consent
  - Form EZ-RPIG Tenant Coordination (only if required by owner)
- **The zone investor owns a space within a building/facility:**
  - Form EZ-RPIG Multiple Owner
- **Investments were made to a mixed-use building**
  - Form EZ-RPIG Mixed-Use

# Grant Coordination

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- When applicable, supplemental Forms **EZ-RPIG Tenant Coordination** and **EZ-RPIG Multiple Owners** ensure that no more than the applicable grant cap is requested within a five-consecutive year period for the building or facility.
- In cases where the required coordination does not take place, DHCD will determine the maximum grant amount available based on the cumulative amount of real property investment made to the property or the square footage leased or owned by the zone investor.



# Mixed-Use Buildings

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- Form **EZ-RPIG Mixed-Use** verifies that at least 30% of usable square footage in building is devoted to commercial, office, or industrial use.
  - Must be completed by the preparer of the measured drawings/plans for work done to the referenced building.
    - The preparer of plans may be a licensed architect, surveyor, or draftsman.

# Common RPIG Application Issues

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- **Placed in service documentation is not final or indicates pending work or a failed inspection.**
  - The zone investor will not be able to apply until the placed in service documentation is final.
- **Properties identified as a buildings instead of a facility.**
  - Grants are capped per building/facility. The property must be correctly identified so that applicable grant caps are not exceeded.
- **Application spans multiple addresses (facility) but CO only references one address.**
  - Zone investors can only apply for work covered under the placed in service documentation.
- **Differences in address entered from one year to another.**
  - Make sure the physical address is exactly the same as in previous RPIG applications.

# Common RPIG Application Issues

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- **Vague or conditional items listed on the schedule of investments.**
  - It is best to break down and individually list all investments. Instead of “Site Work” include the specific items such as:
    - Clearing
    - Concrete Excavation
    - Construction Fee
    - Construction Overhead
    - Drywall
- **Please use as much detail as possible when including conditional items.**
  - A list of conditional items can be found on page 12 of the 2013 RPIG Instruction Manual.

# RPIG Monitoring & Recordkeeping

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- DHCD monitors RPIG recipients annually at random.
- Grantees must maintain all documentation regarding qualification for the RPIG **for a minimum of three years following the receipt of a grant.**
- Grant recipients that do not have adequate documentation regarding qualified real property investments may be subject to repayment of some or all of their grant award.

# Any questions about the RPIG?

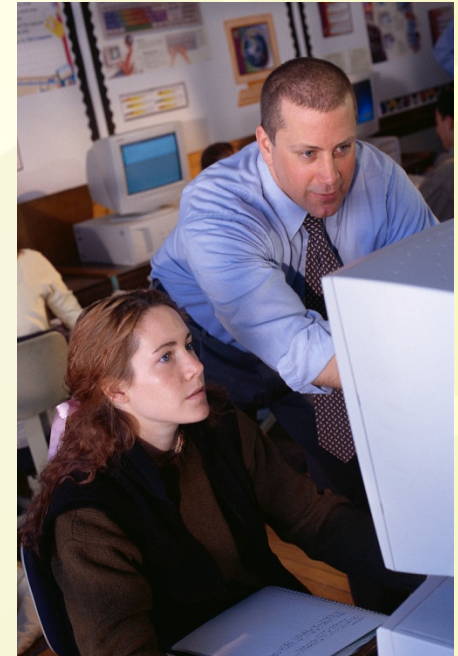
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# Qualifying for the JCG: Job Creation Grant

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The Job Creation Grant (JCG) program is designed to provide an incentive for businesses to create **higher wage, full time, permanent** positions with **health benefits**.



# JCG: Qualification Requirements

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- Qualification for the JCG is based on grant-eligible job creation over **“Base Year”** employment levels.
  - A business’s base year is either of the two calendar years immediately preceding a firm’s first year of grant eligibility.
    - For GY 2013, a business may use calendar year 2012 or 2011 as their base year.
    - New businesses will have a base year of ZERO.
- **To qualify for the JCG, a business must increase “Grant Year” employment over a 4-job threshold.**
  - Example: A firm has a base year employment level of 10 positions. To be eligible for the JCG, the firm must increase employment to at least 15 permanent full-time positions (the first four to be eligible, and the 5<sup>th</sup> to receive a grant award).

# JCG: Grant-Eligible Positions

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- Eligible positions must be:
  - Net new to Virginia
  - Over the 4-job threshold (grant begins with 5<sup>th</sup> position)
  - Permanent & full-time
  - Earning at least 175% of the Federal Minimum Wage (FMW) or 150% in High Unemployment Areas.
  - Offered health benefits

## Restricted Positions:

- Personal service (NAICS 812), food and beverage, and retail

## Restricted Applicants:

- Units of local, state, or federal government
- Non-profits (other than those classified under NAICS 813910 and 813920 )



# Permanent Full-Time Positions

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- Jobs of **indefinite duration** at a business firm located in an Enterprise Zone, requiring the employee to **report to work** within the zone.
  - These position must be normally scheduled to work either:
    - A minimum of 35 hours/week for at least 48 weeks;
    - A minimum of 35 hours/week for portion of taxable year in which employee was hired; or
    - A minimum of 1,680 hours/year if standard fringe benefits are paid by business firm.
- Report to work requirement: The employee must report to the zone location on a regular basis (at least **once a month**).

# JCG: Grant Awards

- JCG awards are determined based on a position's wage-rate and number of full months worked in the Grant Year.
  - Up to **\$500/year** per net new permanent, full-time position earning at least **175% of the FMW or 150% in HUAs** with offered health benefits.
  - Up to **\$800/year** per net new permanent full-time position earning at least **200% of FMW** with health benefits.
  - Businesses can receive grants for a maximum of 350 positions per year.
- The Federal Minimum Wage is currently \$7.25/hour

Wage Rate Threshold*	Grant Per PFTF	Eligible Businesses
\$10.88	\$500	HUA Business
\$12.69	\$500	All Business
\$14.50	\$800	All Business

# 2013 High Unemployment Areas

- Businesses located in HUA zones are eligible to apply for the JCG at the reduced wage rate threshold of \$10.88/hour (150% of the FMW)

2013 Enterprise Zone Grant Application	
High Unemployment Areas (HUA)	
Brunswick County - Zone 32	Haysi Town- Zone 49
Clarksville Town- Zone 56	Henry County - Zones 36 & 54
Clintwood Town- Zone 49	Lawrenceville Town - Zone 32
Covington City- Zone 53*	LaCrosse Town - Zone 38
Danville City - Zones 1 & 57*	Martinsville City - Zones 36 & 54
Dickenson County- Zone 49	Mecklenburg County - Zones 38 & 56
Emporia City- Zone 43	Petersburg City - Zones 10 & 47*
Franklin City - Zone 18*	South Boston Town - Zone 15
Greensville County - Zone 43	South Hill Town - Zone 38
Halifax County - Zone 15	

# New to the HUA List

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- The following localities are now considered HUAs:
  - City of Covington
  - Dickenson County (Town of Clintwood & Town of Haysi)
  - City of Emporia
  - Greenville County
- Businesses in these zones may begin applying for the \$500/ PFTE Job Creation Grant at the reduced wage rate threshold of \$10.88 beginning with Grant Year 2013 (Applications due April 2014).

# Off the HUA List

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- The following communities are no longer HUA's:
  - Carroll County (Town of Hillsville)
  - City of Galax
  - City of Hopewell
  - Patrick County (Town of Stuart)
  - Smyth County (Towns of Chilhowie and Saltville)
- Any business that has applied for the JCG as an HUA applicant in a zone listed above may continue to qualify for the \$500 grant at the reduced wage threshold of 150% of the FMW for the remainder of their 5-year grant period.
- Any new businesses applying for the JCG in these zones must pay the wage rate threshold of at least 175% of the FMW.

# JCG Application Process

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- Businesses may apply for the JCG for the Grant Year in which they experience net new employment over the 4-job eligibility threshold.
- DHCD will be accepting JCG applications for Grant Year 2013 from businesses that have increased employment over the four job threshold during calendar year 2013, (Jan 1, 2013 – Dec. 31, 2013).
- A CPA attestation is a required component to ALL JCG applications except in cases where the business firm has a Base Year employment  $\leq 100$  PFTP and GY employment of  $\leq 25$  PFTP.

# JCG Calculation Example

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- Base Year Employment Level: 10 Permanent Full-Time Employees (PFTes)
- Grant Year Employment Level: 20 PFTes
  - *The 10 new positions are earning 175% of the FMW (\$12.69/hr)*
  - *All 10 are offered health benefits*



= an increase of 10 PFTes

                    – 4 job threshold

= 6 PFTes eligible for the \$500/position grant

**= a grant award of \$3,000**

# JCG: Grant Term

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- A business can apply for the JCG for a period of 5 years as long as they maintain or increase employment over the 4-job threshold.
  - To be eligible for the JCG in years two through five of the grant cycle, a business must maintain at least 4 net new permanent full-time positions over their base year employment level.
- Business firms who have finished their first 5-year grant period may qualify for a subsequent grant period provided that they are still creating new jobs that are eligible to receive Job Creation Grants.



# Job Creation Grant: JCG Worksheet

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All JCG Applicants must complete the JCG or JCG-HUA Worksheet

- **Basic JCG worksheet:** To be completed by non-HUA businesses for net new positions earning at least \$12.69/hour
- **JCG-HUA worksheet:** To be completed by HUA businesses for net new positions earning at least \$10.88/hour
- The JCG Worksheet was designed to calculate the number of grant-eligible positions filled during the grant year.
  - Automatically calculates qualification information to be used for the JCG application form, Form EZ-JCG.
  - If a position was not filled for the entire grant year, proration based on months employed is automatically calculated

# JCG Worksheet: Overview

I, \_\_\_\_\_, being duly authorized as a representative of the company, do hereby affirm the following:

- No employees working in retail, personal service, or food and beverage positions have been included on this worksheet.
- No employees are listed for which:
  - A grant was previously earned by a related party, as defined by the Internal Revenue Code § 267 (b), or a trade or business under common control;
  - An employee filling the position was previously employed in the same job function in Virginia by a related party, or a trade or business under common control;
  - The permanent full-time position was previously performed at a different location in Virginia by an employee of the taxpayer, a related party, or a trade or business under common control;
  - The permanent full-time position previously qualified for a grant in connection with a different enterprise zone locality on behalf of the taxpayer, a related party, or a trade or business under common control; or
  - Was filled in the Commonwealth of Virginia and the trade or business where that position was located was purchased by another taxpayer.
- All the positions listed on this worksheet meet the "report to work" requirement such that the employee filling the permanent full-time position reports to the business zone establishment on a regular basis, i.e. at least once a month.

Signature of Business Firm Representative \_\_\_\_\_

Date \_\_\_\_\_

\*Please fill out the worksheet from left to right. Skipping columns may lead to incorrect calculations.

Employees Filling Permanent Full-Time Positions				Base Year			Current Grant Year (GY): 2013					Wage Classification for Net New Positions		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2013	Last work date in grant year 2013	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit)	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr
1						0.00			0.00		XX.XX	0.00	0.00	0.00
2						0.00			0.00		XX.XX	0.00	0.00	0.00
3						0.00			0.00		XX.XX	0.00	0.00	0.00
4						0.00			0.00		XX.XX	0.00	0.00	0.00
5						0.00			0.00		XX.XX	0.00	0.00	0.00
6						0.00			0.00		XX.XX	0.00	0.00	0.00
7						0.00			0.00		XX.XX	0.00	0.00	0.00
8						0.00			0.00		XX.XX	0.00	0.00	0.00
9						0.00			0.00		XX.XX	0.00	0.00	0.00
10						0.00			0.00		XX.XX	0.00	0.00	0.00
11						0.00			0.00		XX.XX	0.00	0.00	0.00
12						0.00			0.00		XX.XX	0.00	0.00	0.00
13						0.00			0.00		XX.XX	0.00	0.00	0.00
14						0.00			0.00		XX.XX	0.00	0.00	0.00
15						0.00			0.00		XX.XX	0.00	0.00	0.00

JCG Worksheet Form EZ-JCG Values Printing Instructions

# JCG Worksheet: Who to Include

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- **All employees filling permanent full-time positions in the Base Year and Grant Year.**
- The following positions should not be included on the worksheet:
  - Positions that are not permanent and full-time
  - Food and beverage, retail, and personal service positions
  - Churned positions
  - Those not meeting the report to work requirement
- Wage information only needs to be listed for:
  - Permanent full-time positions hired in grant year that have been offered health benefits
- Employees that were given a raise during the grant year must be entered on a separate line at each wage rate.

# JCG Worksheet: Features

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- Based on the dates of employment, the worksheet will automatically distribute full months worked at each eligible wage rate requirement (150%, 175% or 200%) once wage data is entered.
- The worksheet should be filled out from left to right. Skipping columns may cause calculation errors.

**Please do not tinker with the formulas.  
This may result in calculation errors.**

- Certain cells are locked within worksheet to protect formulas.
- Some columns hidden.
- Cells will turn red to signal potential errors.

# JCG Worksheet: Sample

\*Please fill out the worksheet from left to right. Skipping columns may lead to incorrect calculations.

Employees Filling Permanent Full-Time Positions				Base Year			Current Grant Year (GY): 2013					Wage Classification for Net New Positions		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2013	Last work date in grant year 2013	Months the EF PFTP worked in Grant Year	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed in ONLY Grant Year	PFTP in GY not grant eligible (not new in grant year or not meeting wage & health benefit	New EF PFTP in GY earning at least \$12.69/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr
1		Niels Bohr	1111	09/01/12	12/31/12	4.01	01/01/13	12/31/13	12.00			12.00	0.00	0.00
2		Rachel Carson	2222	01/01/12	12/31/12	12.00	01/01/13	12/31/13	12.00			12.00	0.00	0.00
3		Margaret Cavendish	3333	12/27/12	12/31/12	0.16	01/01/13	12/12/13	11.38			11.38	0.00	0.00
4		Francis Crick	4444	01/01/12	01/25/12	0.82			0.00			0.00	0.00	0.00
5		Marie Curies	5555	06/01/12	12/31/12	7.04	01/01/13	08/14/13	7.43			7.43	0.00	0.00
6	Y	John Dalton	6666			0.00	05/01/13	10/25/13	5.85	Y	10.88	5.85	0.00	0.00
7	Y	Charles Darwin	7777			0.00	02/01/13	12/31/13	10.98	Y	13.00	0.00	10.98	0.00
8	Y	Albert Einstein	8888			0.00	01/01/13	12/31/13	12.00	Y	15.00	0.00	0.00	12.00
9	Y	Paul Erlich	9999			0.00	03/01/13	08/09/13	5.33	N		5.33	0.00	0.00
10	Y	Enrico Fermi	1010			0.00	01/01/13	08/01/13	7.00	Y	14.50	0.00	0.00	7.00
11	Y	Enrico Fermi	1010			0.00	08/02/13	12/31/13	5.00	Y	16.50	0.00	0.00	5.00
12	Y	Ben Franklin	1313			0.00	01/01/13	12/31/13	12.00	N		12.00	0.00	0.00
13	Y	Robert Hooke	1414			0.00	03/01/13	12/31/13	10.06	Y	11.50	10.06	0.00	0.00
14	Y	Mary Leakey	1515			0.00	01/01/13	12/31/13	12.00	Y	12.50	12.00	0.00	0.00
15	Y	Richard Leton	1515			0.00	01/01/12	12/31/13	24.03	Y	13.50	0.00	24.03	0.00
16	Y	Barbara McClintock	1717			0.00	10/22/13	12/31/13	2.33	N		2.33	0.00	0.00
17	Y	Isaac Newton	1818			0.00	01/01/13	03/01/13	1.97	Y	14.00	0.00	1.97	0.00
18	Y	Isaac Newton	1919			0.00	05/01/13	11/11/13	6.41	Y	15.50	0.00	0.00	6.41
19						0.00			0.00		XX.XX	0.00	0.00	0.00
20						0.00			0.00		XX.XX	0.00	0.00	0.00
21						0.00			0.00		XX.XX	0.00	0.00	0.00
22						0.00			0.00		XX.XX	0.00	0.00	0.00
23						0.00			0.00		XX.XX	0.00	0.00	0.00
24						0.00			0.00		XX.XX	0.00	0.00	0.00
25						0.00			0.00		XX.XX	0.00	0.00	0.00
						24.03			157.77	TOTAL		90.38	36.98	30.41

# JCG Worksheet: Form EZ-JCG Values

Values to be Entered in Form EZ-JCG		
New Job Creation	Total Value	Form Reference
# of all equivalent PFTP filled by the firm during the BASE year	2.00	Part II., 4.A.
# of all equivalent PFTP filled by the firm during the GRANT year	13.15	Part II., 4.B.
New eligible PFTP filled in grant year earning at least 200% of the federal minimum wage and health benefits	2.53	Part II., 5.E.
New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and health benefits	3.08	Part II., 5.F.

JCG Worksheet Form EZ-JCG Values Printing Instructions

# JCG Worksheet: Printing Instructions

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Please note that while you are no longer required to submit the JCG Worksheet you are required to use it for completing the application and a hard copy must be kept on file with your other grant request documentation.

**When printing the hard copy for your documentation records, please follow the instructions below.**

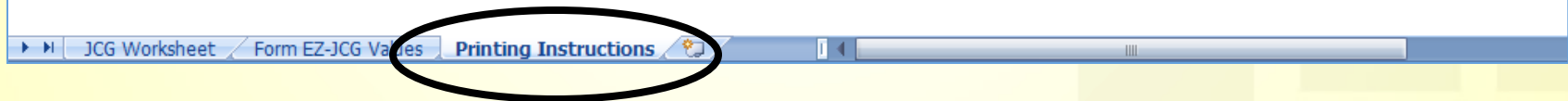
Since the worksheet is equipped with formulas in place for 3,000 rows, the worksheet will print **ALL** the rows unless the print range is specified by the applicant.

Follow these instructions to ensure that only the completed portions of the worksheet are printed.

- ☐ Under the **View** tab on top toolbar, click on "Page Break Preview" to determine the total number of pages completed.
- ☐ When printing, specify the print range based on the number of pages completed by the applicant.
- ☐ The hard copy should only include the completed pages within the "JCG Worksheet" tab.
- ☐ The worksheet must be printed with a landscape layout on legal size paper.

*Once the hard copy has been printed:*

- ☐ The business firm representative must sign the first page and initial each page of the JCG Worksheet.



# Salary to Wage Rate Conversion

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- Divide an employee's annual salary by 1820 hours
  - Include shift premiums and commissions
  - Do not include bonuses or overtime
- Calculations must be shown in the Attestation Report
  - Salary Conversion Example: An annual salary of \$32,000 ÷ 1,820 hours = a wage rate of \$17.58/hour.



# JCG: Required Submission Materials

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1. **Online:** Must be submitted by 11:59 PM (EST), April 1, 2014
  - Form EZ-JCG
2. **Hard Copy:** Must be post-marked no later than April 1, 2014
  - Form EZ-JCG
  - W-9
  - CPA Attestation Report: A Certified Public Accountant, independent of the applicant and licensed by state of Virginia, must perform agreed-upon procedures outlined by DHCD unless the firm is exempt from the attestation requirement.

All application materials and the link to submit Form EZ-JCG are available on the  
**EZ Online Application Submission Site**  
Visit [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) for the link.

# Waiver of CPA Attestation Report

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- Attestation requirement is waived if a firm...
  - Has a base year employment of 100 or fewer positions and creates 25 or fewer grant eligible positions (§ 59.1-547)
- Waiver eligibility must be determined each year
- Firm must still complete the required JCG Worksheet and submit to DHCD for review.
- DHCD staff will monitor each firm who was able to waive the attestation requirement annually using the procedures outlined in the CPA Attestation Manual.

# Form EZ-JCG

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Organized into four parts:

- Part I: Background Information
- Part II: Qualification Information
- Part III: Contact Information
- Part IV: Declaration

**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

# Part II: Qualification Information

## PART II: QUALIFICATION INFORMATION

In order to calculate the number of grant eligible employees and determine the applicable grant amount, please complete the **JCG Worksheet** prior to completing this section. Values from the **JCG Worksheet** should be used to complete #4 and #5 below (indicated in italics).

1. Grant is requested for calendar year 2013    2. Check year of qualification. ☐ YR 1 ☐ YR 2 ☐ YR 3 ☐ YR 4 ☐ YR 5
3. Base calendar year used by the business firm  (YYYY). *The base year remains the same for the five years of qualification.*
4. **Grant Eligible Positions** *(Net new positions over four job threshold; Note: PFTPs = Permanent full-time positions.)*

**All documented jobs must exclude positions in retail, food and beverage, and personal service.**

A. # of all equivalent PFTPs filled by the firm during the BASE year. <i>(Sheet 2 of JCG Worksheet, Cell B3)</i>	A. <input type="text"/>
B. # of all equivalent PFTPs filled by the firm during the GRANT year. <i>(Sheet 2 of JCG Worksheet, Cell B4)</i>	B. <input type="text"/>
C. Increase in the # of equivalent PFTPs created over the base year. Subtract line (A) from line (B).	C. <input type="text"/>
D. Net new jobs created over four net new job threshold. Subtract 4 from line (C). <i>Note: If line (C) is equal to or less than 4, the firm will not qualify for the JCG.</i>	D. <input type="text"/>

### 5. Grant Eligible Employees with Qualifying Wage Rates and Health Benefits

E. New eligible PFTPs filled in grant year earning at least 200% of the federal minimum wage/offered health care benefits. ▪ List total new grant year equivalent PFTPs indicated on the JCG worksheet <b>(Sheet 2, Cell B5)</b> meeting this requirement.	E. <input type="text"/>
F. New eligible PFTPs filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and offered health care benefits. ▪ List total new grant year equivalent PFTPs indicated on the JCG worksheet <b>(Sheet 2, Cell B6)</b> meeting this requirement.	F. <input type="text"/>
G. Number of new grant year PFTPs meeting wage and health benefits requirements. ▪ Add lines E and F.	G. <input type="text"/>

**150% in HUAs**



# Part III: Contact Information

7. I used DHCD's JCG Worksheet template to complete this application. ☐ Yes ☐ No  
8. I have reviewed the CPA Attestation Report and have addressed any deficiencies noted in the report. ☐ Yes ☐ No  
9. This application has been submitted electronically. ☐

## PART III: CONTACT INFORMATION

### 1. Name of Grant Applicant Representative

Prefix (Mr., Ms., Dr.) [ ]	First Name [ ]	Last Name [ ]	Title [ ]	Daytime Phone # ( [ ]) [ ] - [ ]	E-mail Address [ ]
Principal Mailing Address (Grant correspondence will be mailed to this address) [ ]			City [ ]	State [ ]	Zip Code [ ]

### 2. Certified Public Accountant (preparer of required Attestation Report)

Name of Certified Public Accountant [ ]	VA License # [ ]	Daytime Phone # ( [ ]) [ ] - [ ]	Email Address [ ]	
3. Accounting Firm [ ]	Street Address [ ]	City [ ]	State [ ]	Zip Code [ ]

## Part IV: Declaration

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The application must be signed and dated by the business firm representative that has made the management decisions necessary to complete the application materials and has reviewed the application for accuracy and completion.

# JCG Monitoring & Recordkeeping

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- All JCG grantees are monitored for their first grant year
- Grantees must maintain all documentation regarding qualification for the JCG **for at least one year after the final year of their five-year grant period.**
- Grant recipients that do not have adequate documentation regarding permanent full-time positions, report to work criteria, wage rates, or the provision of health benefits may be subject to repayment of all or some of their grant award.



# Any questions about the JCG?

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# CPA Agreed-Upon Procedures

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- CPA attestation to application information is required by statute
- The attestation must be performed through DHCD's Agreed-Upon Procedures engagement under the attestation standards established by the American Institute of CPAs.
- Agreed-Upon Procedures will reviewed by DHCD when processing & monitoring grants.
- Discrepancies that arise between what DHCD finds and what an attestation report indicates will be reported to the Board of Accountancy and may require repayment of some or all of the grant award.

# CPA Agreed-Upon Procedures Instruction Manual

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- Each section provides an overview of eligibility requirements, required grant documentation, applicant and CPA responsibilities, FAQ text boxes, hyperlinks to definitions, and an outline of the Agreed-Upon Procedures.
- The first half of the manual covers JCG attestation requirements and the second half covers RPIG attestation requirements.

**A sample engagement letter template as well as the required attestation report forms are available on the VEZ website.**

# CPA Agreed-Upon Procedures: JCG

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- The CPA must perform the following four procedures and report findings after each procedure:
  1. Attestation regarding prohibited positions
  2. Attestation of permanent full time positions
  3. Attestation of required documentation
  4. Attestation of grant eligible positions  
(meeting wage rate and health benefit requirements)

# JCG Attestation: Procedure 1

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## Attestation Regarding Prohibited Positions:

- The CPA will review the NAICS code listed on the Form EZ-JCG (Part I, line item 5) to attest that the NAICS code listed on the Form EZ-JCG is other than 441-454, 722, or 812.

# JCG Attestation: Procedure 2

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## Attestation of PFTP on JCG Worksheet:

- The CPA will attest that the applicable sampling procedure was used in establishing a sample of permanent full time positions:
  - For **firms with 100 or fewer Employees** Filling Permanent Full-time Positions (EF-PFTPs), the CPA will review a random sample\* of the documentation of 20 EF-PFTPs on the worksheet
  - For **firms with more than 100 EF-PFTPs** on the worksheet, the CPA will review a random sampling\* for 20 percent of all employees listed.

*\*The required random sampling procedure is provided in the JCG attestation report.*

# Procedure 2 Continued...

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## Non-Reconcilable errors:

- The CPA will report findings on any unexplained difference between information on documentation provided and what is listed on the worksheet for employees in the sample population.
- The CPA will continuously select another 20 percent from the original population until the first subsequent sample produces no non-reconcilable errors.
  - The applicant can revise the worksheet to remove non-reconcilable errors but the CPA must report on initial findings of non-reconcilable errors in the attestation.

# JCG Attestation: Procedure 3

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## Attestation of Required Documentation:

- Using the sampling technique in Procedure 2, the CPA will review the JCG worksheet for base and/or grant year employment and attest that for each sampled employee listed on the worksheet, the required documentation information has been provided by the company:
  - I-9
  - **First and last payroll record (base year and/or grant year\*)**
  - **Health benefits enrollment**
    - Signed health benefit agreement
    - Health insurance waivers for those declining firm's insurance

*\*Base year employment only needs to be sampled for first-time JCG applicants.*



# JCG Attestation: Procedure 4

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## Attestation of Grant Eligible Positions that Meet Wage and Health Benefit Requirements:

- The CPA will review the qualification information on Part II of Form EZ-JCG and attest that the information entered on Part II, **Lines 4 A-B and Lines 5 E-F** corresponds with the auto-calculated values in cells **B3, B4, B5** and **B6** of the second sheet of the **JCG worksheet**.

# CPA Agreed-Upon Procedures: RPIG

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The CPA must perform the following procedures and report findings after each procedure:

1. Attestation of completed application
2. Attestation of qualified real property investments
3. Attestation of placed in service documentation
4. *Attestation of square footage for mixed use buildings\**
5. *Attestation of owners of space in building\**
6. *Attestation for tenants in building\**

*\*If applicable*

# RPIG Attestation: Procedure 1

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## Attestation of completed application:

- The CPA will attest that the Real Property Investment Grant Form EZ-RPIG and all required attachments have been prepared in the prescribed format and Form EZ-RPIG contains the signed declaration.

# RPIG Attestation: Procedure 2

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## Attestation of qualified real property investments:

- The CPA will attest that each investment listed on the schedule of qualified real property investments is eligible for the RPIG and will report **any items he or she is uncertain of with the corresponding dollar amount in the attestation report.**
- The CPA will attest that the items and costs listed on the schedule were properly charged to the capital (asset) account. **Any investments/items that have been expensed cannot be included.**
- The CPA will review 100 percent of the invoices/receipts that correspond to items listed on the schedule to attest that they were properly chargeable to the capital (asset) account.

# RPIG Attestation: Procedure 3

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## Attestation of Placed in Service Documentation:

- The CPA will ensure that the placed in service document is final and no other documentation was issued or is pending;
  - **Final CO**
  - **Final building inspection**
  - **Third party inspection**
- The CPA will ensure the property was placed in service in calendar year 2013;
- If placed in service documentation is only for portion of the property, schedule items must correspond.

# RPIG Attestation: Procedure 4\*

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## Attestation of square footage for mixed-use buildings:

The CPA will attest that...

- The supplemental form EZ-RPIG Mixed-Use, has been completed and that a licensed third party architect or contractor has signed and sealed the form;
- Math on supplemental form is correct;
- At least 30 percent of the useable floor space in the building is devoted to commercial, industrial, or office use.

\*If Applicable

# RPIG Attestation: Procedure 5\*

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Attestation for owners of space in a building:

The CPA will attest that...

- The supplemental form, EZ-RPIG Multiple-Owner, has been completed with notarized signatures;
- Math on supplemental form is correct;
- The supplemental form grant amount corresponds to the requested amount on the EZ-RPIG application.

\*If Applicable

# RPIG Attestation: Procedure 6\*

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## Attestation for tenant in a building:

The CPA will attest that...

- The supplemental forms, EZ-RPIG Tenant-Owner Consent, and EZ-RPIG Tenant Coordination (if required by owner) have been completed with notarized signatures;
- Math on supplemental forms is correct;
- The supplemental forms grant amount corresponds to requested amount on the EZ-RPIG application.

\* If Applicable



# CPA Attestation Report Requirements:

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- CPAs **MUST** use DHCD's CPA Attestation Report Forms;
- Reports should clearly indicate that each procedure was performed in its entirety;
- Reports must state the findings for each procedure and should **avoid vague or ambiguous language**.
- Initialing each procedure is **not** an adequate description of findings
- Applications with reports where no findings are reported or only the CPA's initials are listed will be considered **incomplete** and will not be processed until the report is re-submitted.

# CPA Attestation:

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- Applications submitted without the Attestation will be considered **LATE**.
- Late applications will be processed on a first-come, first served basis if funds remain after on-time applications are processed

# Any questions about the CPA Attestation?

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# Grant Year 2013 Application Submittal Process



# Grant Year 2013 Timeline

**GY 2013 applications are due Tuesday April 1, 2014**

Application Submission System will open Mid-January.

**April 1, 2014:**  
Applicant  
Submits to  
DHCD

**May 15,  
2014:**  
Notification  
of  
deficiencies

**June 1, 2014:**  
Deficiencies  
must be  
resolved

**June 30,  
2014:**  
Notification  
of  
qualification

**July, 2014:**  
Awards sent  
to qualified  
applicants

<https://dmz1.dhcd.virginia.gov/EZApplication/>

# EZ Application Submission System

Enterprise Zone Application System - Home - Windows Internet Explorer provided by VA IT Infrastructure Partnership

https://dmz1.dhcd.virginia.gov/EZApplication/

File Edit View Favorites Tools Help

★ Favorites ☆ HCD Online 📅 Event Organizer 📄 EZ Application System 📄 Enterprise Zone Administr... 📄 LIS Virginia Administrativ...

ArcGIS Explorer Online Enterprise Zone Applic... X

Virginia Enterprise Zones

Home | RPIG | JCG | CPA Attestation Report | General Income Tax Credit Department of Housing and Community Development

## Enterprise Zone Application Submission System

Welcome to the Enterprise Zone Online Submission System!

**Important information for Internet Explorer 8 users.**

Online application submittal is **required**. This requirement pertains to applicants submitting grant applications as well as those completing their tax credit incentive period.

The online submission system has an auto-calculation function and an e-mail confirmation system as described below.

- A confirmation e-mail will be sent to applicants once they submit their applications online and an additional e-mail will be sent to confirm the receipt of hard copies of the required application material.
  - This email will be sent from: noreply@dhcd.virginia.gov. Certified Public Accountant's (CPAs) can be copied on the e-mail confirmation if they provide their e-mail address on the online form.
- When you apply online, **you must also print and sign the hard copy and send all the required attachments to DHCD by the applicable due dates, as we are not able to accept electronic signatures at this time.**
  - Certain attachments cannot be uploaded electronically (i.e. CPA Attestation Report, Final Certificate of Occupancy or W-9). Please send these in along with any supplemental forms and worksheets with the signed applications to DHCD by the appropriate deadline.
- Late applications will be held and processed only if funds remain after all applications have been reviewed.

**For GRANT APPLICANTS Only**

DHCD recommends the following submittal process for the Enterprise Zone Grants:

1. Applicant gathers and completes application material
  - Downloadable forms are available for a preview of required information
2. CPA prepares Attestation Report
3. Submit application online
4. Obtain signature of Local Zone Administrator on hard copy of grant form
  - Applicant is responsible to confirm property/firm in zone prior to completing any application material
5. Mail in signed, hard copy of all application materials and CPA Attestation Report

If you have any questions about the electronic submittal process, please contact [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov) or (804) 371-7030.

This site requires that all users have Acrobat Reader installed in order to print or view applications and instructions. Click [Here](#) to download Acrobat Reader for free.

Select the hyperlinks below to access applications and forms

**RPIG - Real Property Investment Grant**

- [Local Zone Administrator Contact Information](#)
- [Real Property Investment Grant Instruction Manual](#)
- [W-9](#)
- [Supplemental Multiple Owner Form](#)
- [Supplemental Tenant Coordination Form](#)
- [Supplemental Tenant Owner Consent Form](#)
- [Supplemental Mixed Use Form](#)
- [Form EZ-RPIG \(downloadable\)](#)
- [RPIG 2009-2012 Award Schedule](#)

**JCG - Job Creation Grant**

**HUA JCG- High Unemployment Area Job Creation Grant**

**CPA Attestation Report (RPIG and JCG)**

# Grant Year 2013 Budget

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- The General Assembly has allocated **\$14.15 million** to fund GY 2013 Job Creation Grants and Real Property Investment Grants.
  - Job Creation Grants receive funding priority.
  - After fully funding the JCGs, the remaining funds will be allocated to the RPIGs.
    - The amount paid to each RPIG applicant shall be prorated proportionally should grant requests exceed the remaining funds.

# Application Submittal Process:

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## Recommended Steps (in order):

1. Applicant confirms with Local Zone Administrator that business or property is within the boundaries of a zone.
2. Applicant enters an engagement agreement with an independent, licensed CPA.
3. Applicant gathers and completes application material.
4. CPA reviews application materials and prepares Attestation Report.



# Application Submittal Process:

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5. Applicant submits application online (You will be prompted to save and print a hard copy *after* hitting submit).
6. Applicant obtains the signature of the Local Zone Administrator on the hard copy of application form.
7. Applicant sends DHCD signed hard copies of all application materials including the CPA Attestation Report.

# Submission of Hard Copies

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## Delivery methods:

- Certified mail, return receipt requested—postmarked by April 1<sup>st</sup>
- UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>
- Hand delivery by close of business April 1<sup>st</sup>
- If submitting more than one grant application, each application and respective materials should be sent in separately

# Email Confirmations

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- Grant applicants will receive emails correspondence from DHCD throughout the application process...
  1. *Successful submission of online application*
  2. *Receipt of the hard copy application*
  3. *Deficiencies or request for more information*
  4. *Confirmation that deficiencies have been resolved*
- DHCD recommends applicants print and keep a copy of email notifications with their grant records

# Application Information

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- Additional information about the EZ Program and the application process can be found on the VEZ page on DHCD website: [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)
- The online submission system will open January, 2014: <https://dmz1.dhcd.virginia.gov/EZApplication/>

And Remember...Applications are due by **April 1, 2014!**  
*Early submittals are highly encouraged!!!*

# Any questions about the Application Submittal Process?

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# Questions?

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(804) 371-7040

**THANK YOU!**